



2023 ANNUAL REPORT

PIONEERS FOR AN EMISSION-FREE FUTURE



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Letter to the shareholders



Carlos López de las Heras
CEO



Josu Calvo
Chairman

Dear shareholders,

It is my pleasure to write to you and share an update on Tubos Reunidos' performance and reflect on the challenges and successes we have seen over the last year. This period has been marked by significant changes and challenges, but also by remarkable achievements that reinforce our commitment to the growth of the group, people and sustainability.

The current geopolitical environment, marked by international conflicts such as the war in Ukraine and the conflict between Israel and Palestine, has created a backdrop of uncertainty that has affected all sectors, including our company. These conflicts have led to an increase in production costs due to high energy prices, supply shortages and logistical difficulties.

Despite these adversities, this year Tubos Reunidos has achieved an EBITDA of EUR 106 million and a net profit of EUR 54 million, demonstrating, once again, that it is capable of adapting and being resilient. For more than a century we have been able to react quickly to changes in the environment — and this year has been no exception. The strength of our organisation lies in our ability to make quick and effective decisions, which has allowed us not only to overcome challenges, but to also seize emerging opportunities in the market — all while becoming stronger and maintaining sustainable growth that is testament to our strength and long-term vision.

Sustainability is a key pillar in our corporate and commercial strategy. Our commitment to decarbonisation and sustainable production is an added bonus that is becoming increasingly valued within the market and sets us apart from our competitors. That's why we are working to become pioneers in the manufacture of low-emission pipes. Our goal is to be able to offer a range of climate-neutral products, which would involve bringing to market an option that currently does not exist and that would be the culmination of our sustainability efforts. This approach not only responds to market demands, but also demonstrates our responsibility to the environment and future generations.

In light of this, and as part of our strategy to optimise and strengthen operations, in 2023 we combined the Sestao and Amurrio steelworks into a single facility in Amurrio. During this process, we reused as many materials and as much equipment as possible from Sestao, in turn contributing to the circular economy. Doing this has allowed us to increase production capacity and leverage similarities between the manufacture of ingots and billets, making the facility more efficient while reducing energy consumption and greenhouse gas emissions. We are now able to offer a greater variety of products meaning that we can meet market demands more quickly and efficiently.



On this journey towards sustainable and emission-free products, people are our greatest asset. Our employees' knowledge and dedication are the heart and soul of Tubos Reunidos. We are therefore focusing on attracting and retaining talent by creating a stimulating, stable and safe work environment that allows our employees to develop their maximum potential.

We are also immersed in a digital transformation process. Digitalising our organisational and production processes allows us to improve efficiency and reduce costs, while liberating the workforce from repetitive tasks so that they can focus on higher value-added activities. This digitalisation process is combined with reinforced cybersecurity, guaranteeing that our systems, processes and data are protected, and maintaining our customers' trust.

In line with our strategy, our values and market demand, we have set ambitious ESG (*Environmental, Social and Governance*) targets to contend with the challenges that lie ahead. Some of our diverse initiatives include: certifying the environmental footprint of our products and implementing improvements to support our customers on their journey towards decarbonisation, so that we become a strategic partner in their efforts to reduce their carbon footprint; implementing measures to increase safety and prevent the occupational risks linked to our activity; establishing procedures for efficiently managing resources, including adopting circular economy practices and; continuing to strengthen our corporate governance policies to ensure that all our operations are transparent and ethical.

All of our progress and achievements over the last few years allow us to look to the future with optimism and determination. We are in a strong position to aspire to be one of the market leaders in the manufacture of climate-neutral seamless steel tubes, and therefore, become **pioneers for an emission-free future.**

Finally, we would like to express our sincerest gratitude to all the people who form part of the Tubos Reunidos team. Your commitment has been crucial to our collective success.

We would also like to thank you for the trust you have placed in our group, as well as that of the other shareholders, the Board of Directors, customers, suppliers, institutions and all the organisations that in one way or another support us in our day to day. Thanks to all of you, Tubos Reunidos continues to grow and has now turned 131, but this is just the beginning. We are confident that, together, we will write the story of a company that will become a future international leader.

Kind regards,

Josu Calvo
Chairman

Carlos López de las Heras
CEO



2023 at a glance



Geopolitical background

This year, once again, we have made it clear that one of our greatest strengths is the ability to be agile, decisive and flexible when faced with changes in the environment. This year, fraught with difficult challenges, has been yet another test of our ability to be resilient, thrive in the face of adversity and emerge stronger.

2023 was marked by a complex and unstable geopolitical landscape, characterised by international conflicts such as the war in Ukraine and the conflict between Israel and Palestine, as well as tensions between the Western powers and China.

Increased production costs

These international conflicts and geopolitical tensions have impacted the environment, causing high market volatility, volatile costs, as well as serious tensions in global supply chains, especially in terms of raw materials and energy.

Evolution in the price of CO₂ emission allowances

As in previous years, the price of CO₂ emission allowances increased during 2023. This trend is a result of growing concern surrounding climate change and the measures being taken to cut greenhouse gas emissions.

This has prompted companies in the sector to invest in more efficient and sustainable technologies in order to cut their emissions and meet customers' growing demand for sustainable products. In fact, an increasing number of manufacturers are launching products with low CO₂ emissions.

From Tubos Reunidos' perspective as a manufacturer, consolidating our steelworks has also served to significantly reduce our carbon footprint and CO₂ emissions, mitigating the risk of this price increase.

Sectoral concentration

The sector is becoming more concentrated, some companies are acquiring distributors, processing plants and key assets to strengthen their position in key markets. Other companies are abandoning Europe.

EU Taxonomy

The EU is promoting the European Green Deal, which aims to achieve climate neutrality by 2050, through the Taxonomy Regulation. This regulation classifies economic activities according to six environmental objectives. Companies must assess whether their activities are within the scope of the taxonomy and whether they meet the technical criteria. The taxonomy establishes three key performance indicators for non-financial entities, based on business information, CapEx (capital expenditure) and OpEx (operating expenditure). These reflect the potential and actual sustainability of the activities.

In 2023, we carried out an analysis for our activities in comparison to the requirements of the Taxonomy Regulation. All companies of the consolidated Tubos Reunidos Group were included in scope. As stated in the regulation, we have studied the eligibility and alignment of the two climate objectives (mitigation and adaptation).



2023 figures

(in millions of euro, unless otherwise stated).

● 2023 ● 2022

532.9 513.7
Revenue

56.5 43.5
Attributable profit

4,350 -49,925
Net equity
(thousands of euro)

84.3 54.0
Operating income

38 15
Property, plant and
equipment investment

124,129 65,726
Net equity**
(thousands of euro)

47.7 38.0
Profit/(loss) for the financial
year (before tax)

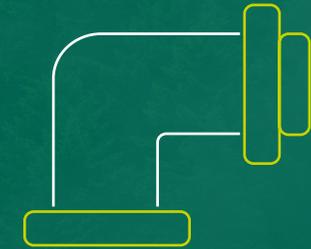
529,964 543,647
Total assets (thousands of euro)

183 222
Tonnes of pipes sold
(in thousands of tonnes)

1,399 1,405
Direct employment (average workforce)

106.8 64.5
EBITDA*

112.7 43.0
Market capitalisation*



56.5

ATTRIBUTABLE PROFIT

38.0 CAPEX*	71.3 Operating cash flow*	108.8 Available liquidity*	-10.3 Reduction in financial debt*
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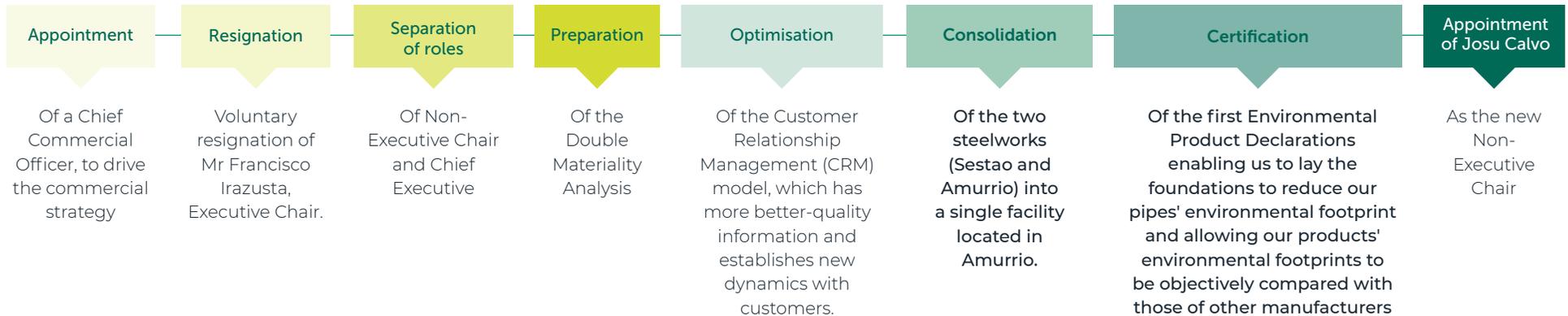
CASH GENERATION IN 2022 AND 2023, WHICH WAS OBTAINED THANKS TO HIGHER REVENUE AND PROFITS, ENABLED US TO MAKE THE INVESTMENTS SET OUT IN THE STRATEGIC PLAN, MOST NOTABLY THE CONSOLIDATION OF THE STEELWORKS THIS YEAR, REDUCING NET FINANCIAL DEBT AND HAVING SUFFICIENT LIQUIDITY AT THE END OF THE 2023 FINANCIAL YEAR TO FURTHER ROLL OUT THE PLAN.

MOREOVER, WE FULLY PAID OFF ALL ICO-GUARANTEED FINANCING RECEIVED IN 2020 DURING THE PANDEMIC ONE YEAR EARLY.

*The definition of 'Alternative performance measures' used in this Non-financial Information Statement can be found in Annex I of the Consolidated Management Report.

** Net equity including participation loan

2023 milestones





Our projects

USA

Project: Revolution Wind Farm — Offshore

Area: Wind Energy
Customer: SWEA
Tonnes: 113
Description: Offshore wind farm that will be operational in 2025 and will generate 304 MW of clean energy for Connecticut and 400 MW for Rhode Island.

Project: Venture Global — Calcasieu LNG Phase1

Area: LNG
Customer: US Metals
Tonnes: 400
Description: Liquefied natural gas (LNG) export facility in Cameron, Louisiana. Once completed, the plant will have the capacity to export 10 million metric tonnes of Liquefied Natural Gas per year.

Project: Mid West Clean

Area: Chemical Plant or Bioenergy
Customer: American Piping
Tonnes: 100
Description: MWCEP (Mid West Clean Energy Project) is a clean ammonia export project aiming to produce up to 1.2 million tonnes per annum of clean ammonia starting in 2027, at a competitive cost compared to existing conventional grey ammonia production. The project includes several sub-projects including carbon management for third parties, permanently storing the project's own CO₂, associated with blue hydrogen production, through to the production of clean ammonia from blue and green hydrogen.

MEXICO

Project: Maintenance of the (combined cycle) thermolectric boiler in Tuxpán

Area: Electricity generation
Customer: Cerrey
Tonnes: 29
Description: Superheater maintenance.

SPAIN, Logrosan — Cáceres

Project: BWE Project 13068

Area: Bioenergy
Customer: Buhlmann Spain
Tonnes: 69
Description: Bioenergy plant with a uniquely designed BWE boiler that will accept woody biomass and also woody agricultural waste.

BRAZIL

Ethanol Aroeira

Area: Chemical Plant or Bioenergy
Customer: Caldema
Tonnes: 350
Description: Pipes for manufacturing biomass collectors and other piping for an Ethanol plant.

FRANCE, Normandy

Project: Dieppe Le Trepot

Area: Wind Energy
Customer: Almesa
Tonnes: 1,800
Description: Offshore wind farm with 62.8-MW turbines. This park is expected to generate 2000 GWh/year on average.

GERMANY

Geothermal Heating Plant Neustadt-Glewe

Area: Geothermal
Customer: Salzgitter Mannesmann Stahlhandel GmbH
Tonnes: 120
Description: This plant uses heat from deep in the subsoil to provide heat to over 1100 homes and businesses, which is transferred through the district's heating network after being filtered and cooled. It has protective measures and alternative power generation systems.

KOREA

Project: WELCO CO.LTD

Area: OFFSHORE
Customer: TK CORPORATION
Tonnes: 54
Description: Offshore pipeline for gas processing within FPSO (floating production storage and offloading)

AUSTRALIA

Project: BAROSSA PROJECT

Area: OIL&GAS
Customer: LFF PERTH PTY LTD
Tonnes: 20
Description: Pipe to the transport gas from the extraction area to the liquefaction plant

Project: PLUTO PROJECT

Area: OIL&GAS
Customer: PLUTO LNG PROJECT
Tonnes: 62
Description: Pipe for use in low temperature applications within the onshore processing plant

INDIA

Project: KUDANKULAM NPP

Area: NUCLEAR
Customer: ENERGY LINE AG
Tonnes: 190
Description: High-pressure stainless-steel pipe for non-critical applications linked to the reactor core.

TÜRKIYE

Project: Akkuyu Nuclear Power Plant

Area: NUCLEAR
Customer: FILMAG spa
Tonnes: 283
Description: This project plans to meet 10% of the country's total electricity demand.



Get to know the Tubos Reunidos Group





131 years of history and a unique passion: making sustainable seamless steel pipes

Tubos Reunidos manufactures seamless steel pipes for a wide range of uses, incorporating the most demanding market requirements into our processes. Our products, used in more than 45 countries, are in high demand in the energy industry, both in the traditional oil and gas sectors, as well as those related to renewable energy sources.

In addition to the energy sector, our pipes are also used in various industries, including the petrochemical and refining industry, mechanical engineering, lifting and handling machinery, mining, construction and the mobility industry.

We are aware that the steel industry is responsible for 7% of all global CO₂ emissions, and that's why, at Tubos Reunidos, we are at the forefront of the transformation towards a more sustainable steel industry. Our Sustainability strategy includes several initiatives, most notably manufacturing ze-

ro-CO₂-emission seamless steel pipes during 2024 and the target to reduce our greenhouse gas emissions by 20% per tonne of piping manufactured by 2028.

Our firm commitment to being customer-focused is put into practice by a team of highly qualified and committed professionals, who work hard to create value and respond to all our customers.

At Tubos Reunidos, we don't just have an exceptional human team, but we are also a company with a rich history and a vast global presence. We have more than 131 years of experience in the steel sector, which has allowed us to develop an in-depth knowledge of the market and our customers' needs.



1946

New seamless piping manufacturing facilities using a heat push bench entered into operation.

1977

First casting at the Amurrio steel mill.

1998

Acquisition of Productos Tubulares, S.A. The company manufactured a wide range of large pipes in different thicknesses, including special, alloy and stainless steel piping at the Trápaga (Vizcaya) plant.

2005

Tubos Reunidos bolsters its stock market listing as its shares now trade on the continuous market in Spain.

1892

The foundation of Tubos Forjados, S.A., predecessor to today's Tubos Reunidos, S.A.

1950–1970

New cold-drawing facilities.

1968

Tubos Reunidos, S.A. is established by grouping all Tubos Forjados, S.A. facilities with some those owned by Babcock & Wilcox Española, S.A. to manufacture seamless and welded piping.

1984

For the first time ever, a new heating and drilling system (C.P.E.) for the head of the push bench is launched in Amurrio, representing a major technological leap.

2002

New cold-drawing facilities in Amurrio.

2012–2019

EUR 179 million invested into the transformational plan to develop new high-value-added products and improve competitiveness.

2022

Works to unify the Group's steelworks commences.

2023

The Group's two steelworks are consolidated into a single, more modern and efficient facility, capable of casting a larger range of products more sustainably.

As part of our commitment to innovation, Tubos Reunidos acquired a space at the Energy Intelligence Centre (EIC), in the new Abanto Campus of the Basque Technology Park, to work on promoting and developing components for technology linked to the energy transition.

The Company has also drafted and certified its first two Environmental Product Declarations (EPD), one for each production plant, and has begun the development of a *Sustainability Master Plan*.

2014

An agreement is signed with Marubeni-Itochu Steel Inc. to build Tubos Reunidos Premium Threads (TRPT), a plant dedicated to the manufacture of premium connections for OCTG pipes.

2016

Acquisition of the business assets of Rotary Drilling Tools, Inc. (RDT) in Texas. The Tubos Reunidos Group geographically diversifies its production facilities by acquiring local processing capacity in the US, closer to end users.

2021

This year saw various milestones in the area of clean energies, such as Tubos Reunidos' inclusion in the Basque Hydrogen Corridor (BH2C), as well as the company's first geothermal project. The Excellence in Health and Safety project was also launched.

In the same year, SEPI (*Sociedad Estatal de Participaciones Industriales* — Spanish state-owned industrial holding company) recognised the Group as a strategic company. We also gained access to funding from the solvency support fund for strategic undertakings affected by the COVID-19 pandemic.

Mission, vision and values

Our mission, vision and values are key approaches to meeting today's challenges, and attest to our contribution to sustainability.



MISSION

We provide our customers with all our industrial experience and know-how through high-performance products, agile service and a clear commitment to environmental protection. All while upholding excellence in safety and integrity for all Tubos Reunidos employees.



VISION

Be a benchmark for sustainable and efficient production systems, providing added value in each market segment.



VALUES

Committed individuals
Respect for the environment
Excellence in safety
Commitment to European standards
Adaptation to change
Staying ahead in technological solutions
Honesty and transparency

Governance bodies

● Independent Director

● Proprietary Director

TUBOS REUNIDOS S.A. BOARD OF DIRECTORS

Mr Josu Calvo Moreira

Non-executive chairman ●

Mr Jorge Gabiola Mendieta

Coordinating Director* ●

Mr Cristóbal Valdés Guinea

Member ●

Ms Ana Muñoz Beraza

Member*** ●

Ms María Sicilia Salvadores

Member ●

Mr Alfonso Barandiarán Olleros

Member ●

Ms Inés Núñez de la Parte

General Secretary and Secretary of the Board

Mr Emilio Ybarra Aznar

Vice-Chairman ●

Mr Enrique Migoya Peláez

Member** ●

Ms Leticia Zorrilla de Lequerica Puig

Member ●

Ms Teresa Quirós Álvarez

Member* ●

Mr Jesús Pérez Rodríguez-Urrutia

Member ●

* Until 29 February 2024, the date on which the Board resolved to dissolve this post and on which he will become a Member.

** Re-elected for the statutory term pursuant to the resolution of the Ordinary General Shareholders' Meeting held on 29 June 2023, following a favourable report from the Appointments and Remuneration Committee and as proposed by the Board of Directors.

*** Re-elected for the statutory term pursuant to the resolution of the Ordinary General Shareholders' Meeting held on 29 June 2023, as proposed by the Appointments and Remuneration Committee and following a report by the Board of Directors.

DELEGATE COMMITTEE

Mr Josu Calvo Moreira

Chairman

Mr Enrique Migoya Peláez

Member ●

Mr Emilio Ybarra Aznar

Member ●

Mr Jorge Gabiola Mendieta

Member ●

Mr Cristóbal Valdés Guinea

Member ●

Ms Inés Núñez de la Parte

Secretary

AUDIT COMMITTEE

Ms Teresa Quirós Álvarez

Chairwoman ●

Mr Enrique Migoya Peláez

Member ●

Mr Jesús Pérez Rodríguez-Urrutia

Member ●

Mr Jorge Gabiola Mendieta

Member ●

Ms María Sicilia Salvadores

Member ●

Ms Inés Núñez de la Parte

Secretary

APPOINTMENTS AND REMUNERATION COMMITTEE

Ms Ana Muñoz Beraza

Chairwoman ●

Mr Cristóbal Valdés Guinea

Member ●

Ms María Sicilia Salvadores

Member ●

Ms Inés Núñez de la Parte

Secretary

STEERING COMMITTEE

Carlos López de las Heras

Chief Executive Officer

Inés Núñez de la Parte

General Secretary & Chief Legal Officer

Antón Pipaón

Business Development & ESG Director

Ignacio Barón

Chief Financial Officer

Izaskun Eyara

Finance Director

Jagoba Hernández

Chief Supply Chain Officer

Pedro Rodriguez

Chief Commercial Officer

Sergio Sáenz

Chief Technological Officer

Ekhi Etxeberria

Chief Human Resources Officer

Francesc Ribas

President TR America & RDT

Andoni Jugo

Tubos Mill Industrial Director

Jon Bikandi

Productos Mill Industrial Director

Alberto Santamaría

Internal Audit Director



3
R&D CENTRES

6
COUNTRIES WITH A SALES OFFICE

15
COUNTRIES WITH A SALES AGENCY

WE HAVE AN INTERNATIONAL TECHNICAL AND COMMERCIAL SERVICE

We currently have four production plants:

TUBOS MILL

At the Amurrio (Álava) plant we manufacture hot-rolled or cold-drawn seamless carbon, alloy and martensitic stainless steel pipes with outside diameters of up to 8 inches.

PRODUCTOS MILL

At the Valle de Trápaga (Vizcaya) plant, we specialise in manufacturing large hot-rolled, seamless carbon, alloy and stainless steel pipes, i.e. with outside diameters ranging from 8 to 30 inches.

RDT

At the Beasley (Texas) plant, we provide drilling equipment and specialised services to the OCTG sector, with our semi-premium BTX thread, as well as deliverables tailored to customer requirements.

TUBOS REUNIDOS PREMIUM THREADS (TRPT)

In Iruña de Oca (Álava), a joint venture with Marubeni Itochu Steel, which processes pipes from the Amurrio plant, applying premium connections for drilling oil wells, natural gas and other energies



The sectors we work in

ENERGY



BIOENERGY



GEOTHERMAL



OIL AND GAS



HYDROGEN



CARBON CAPTURE



NUCLEAR



OFFSHORE WIND



SOLAR



CONVENTIONAL AND
POWER PLANTS

INDUSTRIAL



CONSTRUCTION

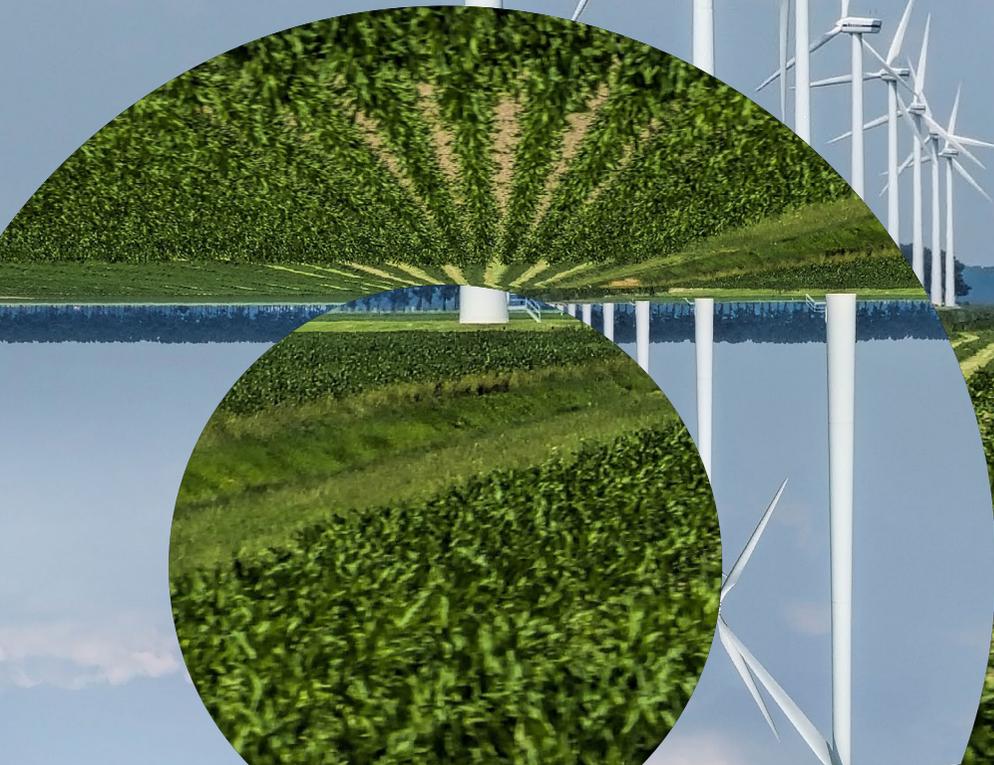


ENGINEERING



MOBILITY

Customer focus



Tubos Reunidos is a trusted supplier of premium quality seamless steel tubes. We work closely with our customers to identify energy-saving opportunities and develop customised solutions that meet their specific needs.

In 2022, we developed a customised pricing system, which was adjusted to our business process, as well communication channels to enable us to be more available for customers and better understand their needs. Following this milestone, we implemented a robust business strategy in 2023, which included geographic repositioning and premium products. We also developed a comprehensive new tool to study and analyse claims that allows us to offer fast and effective solutions. In fact, last year we received 119 complaints, all of which were handled and closed without any breaches. What's more, none were related to regulatory breaches.

Our profound technical knowledge coupled with an unwavering commitment to sustainability and our electric arc furnace manufacturing process enables us to offer our customers innovative piping solutions that not only meet their technical needs, but also reduce their Scope 3 carbon emissions and contribute towards a greener future.



Beyond complying with the strictest environmental regulations, we assume the responsibility of being a catalyst in the transition towards a decarbonised economy. Therefore, using an approach focused on energy efficiency and lowering

emissions, we are constantly implementing new energy models and cutting-edge technologies to optimise our production processes and reduce our carbon footprint — all with the goal of achieving carbon neutrality by 2050.

Innovation



We have embarked on an ambitious strategy to foster a culture of continuous innovation, prioritising growth and excellence in all initiatives, while progressing in terms sustainability. Several key projects have been carried out in this regard in 2023:

1. Plant digitalisation:

We have implemented a number of services aimed at optimising operations through the use of digital tools. This includes the creation of a data lake to store and analyse data related to the production process, as well as the adoption of advanced technologies such as artificial intelligence and machine learning. We have also used tools such as Celonis for data-mining and Bichange to optimise energy consumption.

2. New advanced production control systems:

We are developing a new MES (Manufacturing Execution System) in Trápaga to improve the traceability of products in the rolling process. This project is expected to be completed by the end of 2024, which will allow us to have greater traceability over manufactured products.

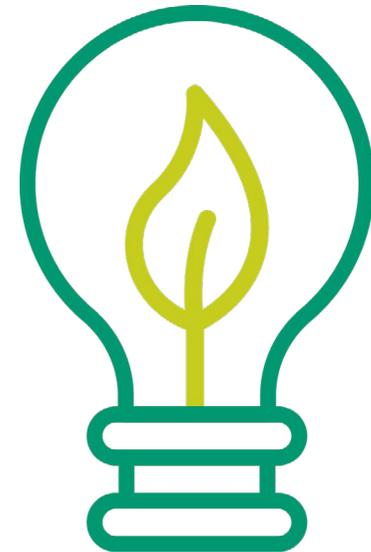
3. Improvements in production management and control:

Over the past year we have made significant improvements in various aspects of operational management, including machinery controls, preventive maintenance planning, consumables inventory and defect management. Furthermore, technological improvements have been implemented for the preparation of manufacturing orders and for greater flexibility in the planning system.

4. Other projects:

The corporate intranet has been redesigned to improve day-to-day management. This change has been accompanied by training in digital tools to facilitate the digital transition.

These projects reflect a commitment to innovation and continuous improvement.



Sustainability



Double materiality analysis

By maintaining a close connection with our stakeholders, we have assumed their needs and expectations as our own. In line with our commitment to sustainability, we carried out a Double Materiality Analysis in 2023, taking into account the requirements established by the CSRD (Corporate Sustainability Reporting Directive) and the ESRS (European Sustainability Reporting Standards) of the EFRAG (European Financial Reporting Advisory Group), with which we must be compliant by 2025 in our 2024 Sustainability Report.

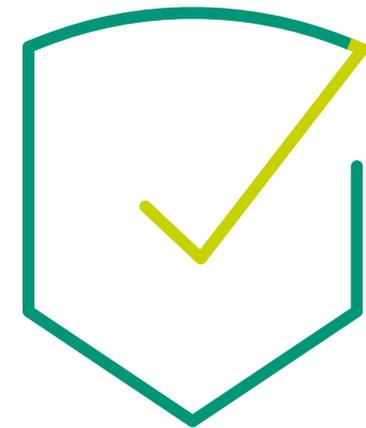
The objective of double materiality is to identify the topics that are relevant for our business from among those proposed by the CSRD, and to study them from two perspectives:

Impact materiality: This evaluates the real or potential impacts, both positive or negative, of our activities on people and the environment in the short-, medium- and long-term. This includes both our internal operations and the entire value chain.

Financial materiality: This includes sustainability aspects that create risks or corporate opportunities for the Group's value, by positively (opportunity) or negatively (risk) influencing our financial position.

The double materiality matrix, outlined on the next page, is crucial for identifying impacts, risks and opportunities (IROs) and determining their importance, highlighting milestones in our *Sustainability Master Plan* and, therefore, in our *Strategic Plan*.

Following the Double Materiality analysis, 17 topics were identified, which were then analysed from the double perspective of impact and financial materiality.



Double Materiality Tubos Reunidos 2023



Topics considered in the materiality process

E	Energy
	Adaptation to climate change and lower emissions
	Air pollution
	Soil contamination
	Water management
	Resource use, waste management and the circular economy
S	Biodiversity and natural capital*
	Talent management and working conditions
	Occupational health and safety
	Value chain
	Contribution to society and relationship with local communities*
G	Customer relationships
	Business ethics and governance
	Business risk management
	Corruption, bribery and money laundering
	Cybersecurity and data processing
Digitalisation and innovation	

*Non-material topics



Sustainability at Tubos Reunidos

The steel sector plays a crucial role in the global economy, although it is known to be one of the main emitters of greenhouse gases. In 2019, the sector's direct carbon dioxide (CO₂) emissions reached 2.6 gigatonnes, accounting for approximately 7% of all emissions generated by energy-related activities worldwide.

Aware of the importance of addressing these challenges, we have intensified our efforts to develop a *Sustainability Master Plan* throughout 2023. This plan will cover all environmental, social and corporate governance (ESG) challenges, demonstrating our commitment to sustainability and the responsible development of our activities.

Additionally, in line with this strategy we have requested our adherence to the United Nations Global Compact for Sustainability.





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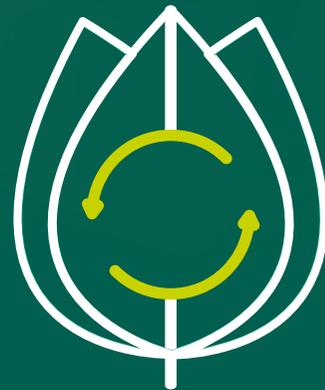
Environment



+ 96%

OF RAW MATERIAL USED COMES FROM RECYCLING

- Industrial water **recirculation circuits**
- Oxygen enrichment systems in heating furnaces (enabling savings of up to 6% in natural gas use)
- **Heat recovery in furnaces**, improving efficiency of production processes
- Recovery of 96% of non-hazardous waste and a reduction of over 2500 tonnes per year in refractory waste sent to landfill.



19,598.1 m³
recirculated water

15%
reduction in natural gas consumption compared to 2022



Circular economy model

We stand out as a model of circularity when designing production processes with a clear focus on reducing the environmental impact associated with the consumption of natural raw materials. As managers of scrap metal waste, we fully contribute to minimising the impact of our activity by using this as a raw material when manufacturing steel in an electric furnace.

Since 2017 we have participated in the Circular Economy Pact, promoted by UNESID (*Unión de Empresas Siderúrgicas de España* — Spanish union of steel companies), committing ourselves to work towards a circular model.

Throughout 2023, as in 2022, 75% of the materials used in our production process were renewable, according to GRI standards.

We are designing our own tool to calculate our organisational carbon footprint. Its development and implementation will be detailed in the future *Sustainability Master Plan*.

We are implementing initiatives such as the Verticero project to valorise refractory waste; the ECOD2D4.0 project to research and develop products for the construction of digitalised eco-roads and; we are collaborating with companies in the sector to valorise white slag, minimising its environmental impact.

The next key objective is to design the strategy to analyse and measure our Scope 3 emissions.

Furthermore, our Transforma 360° project, launched in 2017, identifies actions for improvement and evaluates their impact on sustainability objectives. In 2023, we worked on 22 process-optimisation initiatives, applying existing technologies to valorise waste for our activity or that of others.

Decarbonisation as a central pillar

We recognise our responsibility to reduce greenhouse gas emissions and are working to achieve ambitious and necessary targets to mitigate the impact we generate. We manufacture more efficient and environmentally friendly technology, such as electric arc furnaces (EAF), thus significantly lowering greenhouse gas emissions compared to blast furnace steel production.

The *Sustainability Master Plan* will prioritise energy efficiency initiatives to lower greenhouse gas emissions.

We are working on a life cycle analysis for the pipes produced. The result of this analysis serves as a starting point for our internal working groups, called ESG, who use the results to develop improvement action plans aligned with reduction targets.



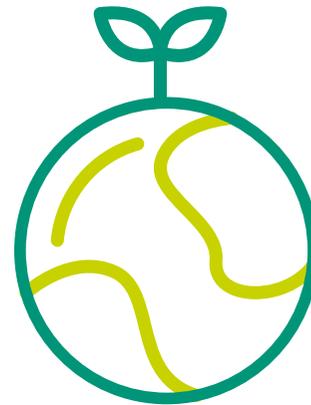
In terms of energy efficiency, we have implemented measures such as oxygen enrichment in hearth furnaces, heat recovery in electric furnaces and the initiation of a plan to eliminate the use of fossil fuels in internal forklifts at factories, with our first biogas forklift. We are also developing big data and artificial intelligence projects to improve product quality and efficiency. As regards sustainable mobility, we encourage private car sharing and have installed chargers for electric vehicles at our factories.

Sustainable water management

We foster a culture of responsible water consumption, using closed-circuit industrial water recirculation to reduce consumption. In 2023, we recirculated 19,598,177 m³, down 25% from the previous year, mainly due to the decrease in production at Amurrio. Led by the Sustainability Division, we will develop a *Sustainable water management plan* to reduce the use of catchment water, improve the quality of wastewater and optimise treatment and purification processes.

Air quality

We tightly control emissions of polluting gases in accordance with environmental regulations. We take continuous measurements, in compliance with the Integrated Environmental Authorisation. As regards noise pollution, we carry out periodic checks to ensure that noise is within the established limits.





Evolving in terms of society

SOCIAL ASPECT

Occupational health and safety



34.3

Accident frequency rate

0.63

Accident severity rate

- CONSOLIDATION OF IN-HOUSE PREVENTION SERVICES
- LEADERSHIP TRAINING PLAN

Internal talent



1,376

Employees (as at 31/12/2023)

1,243

employees are members of an EPSV (*entidades de previsión social voluntaria* — external voluntary social welfare entities)

THE ESTIMATED IMPACT ON RESTAURANTS AROUND THE PRODUCTION PLANTS AND OFFICES DURING THE REPORTING YEAR WAS EUR 2.227 MILLION.

WE COLLABORATE WITH NUMEROUS NON-PROFIT ORGANISATIONS EVERY YEAR. IN THIS SENSE, WE CONTRIBUTED EUR 131,000 TO DIFFERENT ASSOCIATIONS THROUGHOUT 2023.

2,848

THOUSAND EURO DONATED TO VOLUNTARY SOCIAL WELFARE ENTITIES

AGREEMENTS SIGNED AT THE TWO TUBOS REUNIDOS GROUP, S.L.U. PLANTS

12,044
Training hours



Health and safety

Our employees' health and safety are key priorities for us and are included in both our Double Materiality Analysis and *Strategic Plan*. We collaborate with specialist authorities and entities to align policies and procedures with regulations and best practices. We have worked with experts to develop training programmes and assessment tools to improve occupational health and safety performance.

We have spent three years working on the Excellence in Safety Project, training our professionals to lead actions aimed at meeting safety-related objectives in the workplace.

Highlights of 2023 include the *10 rules that save lives*, a set of preventive standards for the work environment; the visitor leaflet, a clear guide to rules for external visitors; as well as the various activities carried out during the European Week for Health and Safety at Work, reinforcing awareness of occupational health and safety.

We have also implemented tools such as safety dialogues and pre-shift talks to promote a culture of safety. What's more, we have established a specific process for obtaining work permits in particularly dangerous situations.

Last year, we unified prevention services across our plants to improve efficiency, and created health and safety control mechanisms for sub-contracted companies. Our Health and Safety Committees meet regularly to identify incidents and monitor ongoing actions.

As health and safety training is ongoing, we hold regular meetings with Project Management and prevention officers in order to keep them informed of progress in this regard.

OUR PRINCIPLES

1. Health and safety as values, with the goal of "zero accidents" and always working safely.
2. Committed Management overseeing health and safety as a business aspect.
3. Health and safety as a premise in all decisions taken.
4. All staff trained in occupational health and safety, as well as training for and inclusion of suppliers and contractors.
5. Compliance with current legislation, achieving objectives and obtaining health and safety certifications.
6. Commitment to the community and the environment.

People and well-being, our fundamental pillar

We promote the professional development and quality of life of our employees and their families through actions such as educational support for employees' children; facilitating travel from Bilbao to Amurrio; offering a pension plan with contributions to social welfare entities; prioritising internal mobility; participating in company benefits and having life insurance to provide security in the event of unforeseen events. In fact, in 2023, we contributed EUR 2,848,000 to the pension plan and we now have 1243 members.

We drive talent

At the heart of our company, we recognise that talent is the blend of three fundamental pillars: Knowledge, Will and Power.

Knowledge represents ability, combining knowledge, skills, experience and aptitude at work; Will is manifested in commitment to our strategic objectives, driving attitude and motivation at work; while Power is the action itself, the ability to solve problems and assume responsibilities.

We aim to enhance these capabilities within our team through our Individual Development and Management Programme. This is brought to life through various actions focused on both the organisational structure and the individual.

We devised a Job Map of the Functional and Skills Profile for the Role (known as the PFCC), which is a strategic tool that guides our talent management.



Identifying key positions allows us to accurately structure succession and hiring plans, supported by descriptions and success profiles.

Our Compensation Policy is designed to attract and retain the best talent available in the market, while also reinforcing our professionals' loyalty. We have also initiated training and professional development pathways, as well as 360° Assessments to boost personal and professional growth.

Training is a constant investment. In the last year alone, we have dedicated EUR 229,000 and more

than 12,000 hours to training programmes. In tandem to this, applying the management by objectives (MBO) approach for the whole workforce focuses individual performance towards strategic goals, generating accountability and progress.

Our commitment to the next generation of talent is embodied by the Cantera Programme, which offers comprehensive support to young talent during their early professional experiences. This programme includes development workshops, specialised projects and mentors assigned to facilitate their integration and growth.



Essentially, our comprehensive approach to talent development not only strengthens our current teams, but also lays the foundations for a strong and promising future.

Equality, diversity and inclusion

We promote gender equality and diversity in our work environment. We do not discriminate based on gender in our recruitment processes. Remuneration is established in accordance with the job category, removing any potential for pay discrimination.

We have an Equality Plan in place (2023–2027) in all our plants, thus strengthening our organisational culture and ensuring that each employee feels valued. We advocate for respect for diversity in all its forms.

In collaboration with UNESID, we are continuing with the "Women of Steel" programme, highlighting the female role in the steel and metallurgical industry and participating in discussion forums on equality.

We are aware of the challenges faced by people with functional diversity and, as such, we are collaborating with special employment centres. We always comply with legal regulations to ensure an accessible work environment for all.

Local communities

94.2% of our staff are located in the Basque Country, which contributes to local well-being. We prioritise strengthening the local communities in which we operate, encouraging local recruitment and creating stable employment.

We have an extensive network of local and national suppliers, reducing environmental impact. In fact, 96.11% of our suppliers are domestic.

We also collaborate with non-profit organisations, having contributed EUR 131,000 in 2023.





Transformative governance

GOVERNANCE



2023 MILESTONES

Updated risk map, including sustainability and climate change

Improving the regulatory framework for sustainability, diversity, transparency and ethics.



APPROVAL OF THE AUDIT COMMITTEE REGULATIONS

- APPROVAL OF THE STRUCTURE AND GENERAL AREAS OF THE *SUSTAINABILITY MASTER PLAN*
- CODE OF ETHICAL CONDUCT FOR SUPPLIERS OF THE TUBOS REUNIDOS GROUP
- ENHANCING THE WHISTLEBLOWING CHANNEL
- INFORMATION SECURITY POLICY
- CORPORATE PROCUREMENT, SERVICE CONTRACTING AND INVESTMENTS POLICY

THE ANNUAL CORPORATE GOVERNANCE REPORT (ACGR) FOR FINANCIAL YEAR 2023 IS ACCESSIBLE IN ITS ENTIRETY ON THE CORPORATE WEBSITE (WWW.TUBOSREUNIDOSGROUP.COM) AND ON THE OFFICIAL PLATFORM OF THE NATIONAL SECURITIES MARKET COMMISSION (CNMV) (WWW.CNMV.ES).

ADDITIONALLY, IN ACCORDANCE WITH THE PROVISIONS OF ARTICLE 538 OF THE CAPITAL COMPANIES ACT, THE AFOREMENTIONED ACGR IS INCLUDED AS A SEPARATE SECTION OF THE 2023 MANAGEMENT REPORT.

Ownership structure

Concerted action Zorrilla-Lequerica Puig family

10.22%

Mr Joaquín Gómez de Olea Mendaro*

6.08%

BBVA Group**

5.96%

* On 19 October 2023, significant shareholder Mr Joaquín Gómez de Olea Mendaro transferred 2,029,671 shares representing 1.16% of Tubos Reunidos S.A. to the company BARANGO, S.L., where he is a shareholder and has a controlling stake. BARANGO S.L. has been incorporated into the Barandiarán Group Concerted Action.

** As at the date of issue of this Report, BBVA holds an indirect stake of 5.21% of share capital.

In relation to the list of the significant shareholders of the Company, we must report that, in January 2023, the company was notified of the dissolution and liquidation of the company Elguero, S.A., which as of 31 December 2022 directly held a significant stake of 3.33% of share capital. After the aforementioned dissolution and liquidation, the 5,819,474 shares in Tubos Reunidos S.A. held by Elguero S.A. were distributed equally among the four partners of the company, the Ybarra Aznar siblings, with each receiving 25%.

Structure of the management body

As communicated to the market via Inside Information Communication dated 14 July 2023, the Board of Directors of Tubos Reunidos S.A. acknowledged on that date the notification sent on 13 July 2023 by Mr Francisco Irazusta Rodriguez, in which he communicated his voluntary resignation as Executive Chairman of the Company and as a member of the Board of Directors, effective from 31 August 2023, to take on a new professional challenge at an international company outside Spain.

In accordance with the Tubos Reunidos S.A. By-laws and the Regulations of the Board of Directors, from 31 August 2023 when Mr Irazusta effectively resigned from his duties, Deputy Chair Emilio Ybarra Aznar temporarily took over duties as chair until a new non-executive chair of the Board of Directors was appointed, and Mr Carlos López de las Heras remained on the executive management team as Managing Director.

On 27 June 2023, the Board of Directors formally approved the separation of the posts of non-executive chairman and chief executive, in line with best good corporate governance practice and with the aim of strengthening the Board of Directors' independence.

Mr Josu Calvo Moreira was appointed independent director at the Company by co-optation on 21 December 2023, as well as non-executive chairman of the Board of Directors. The market

was notified of this by means of a communication of Other Relevant Information on 21 December. Tubos Reunidos, S.A. therefore strengthened its Board of Directors and its corporate governance model with a non-executive chairman, in order to navigate the demanding challenges facing the Group in the coming years. Mr Josu Calvo Moreira does not have any executive powers at Tubos Reunidos and retains his current position as CEO of Gonvarri Industries.

The Board of Directors expressly thanked the Deputy Chairman Mr Emilio Ybarra Aznar for his huge contribution to the Company when temporarily acting as Chairman.

Currently, the governing body of Tubos Reunidos, S.A. is its Board of Directors. In accordance with the provisions of the By-laws, the Board of Directors must be formed of a minimum of 5 and a maximum of 14 members. On 31 December 2023, the aforementioned Board was composed of 11 directors, distributed as follows:

- 6 independent directors
- 5 proprietary directors

At the date of issue of this document, the Board of Directors of Tubos Reunidos S.A. is made up of the following directors:



TUBOS REUNIDOS S.A. BOARD OF DIRECTORS

● Independent Director

● Proprietary Director

Mr Josu Calvo Moreira

Non-executive chairman ●

Mr Emilio Ybarra Aznar

Vice-Chairman ●

Mr Jorge Gabiola Mendieta

Coordinating Director* ●

Mr Enrique Migoya Peláez

Member** ●

Mr Cristóbal Valdés Guinea

Member ●

Mr Alfonso Barandiarán Olleros

Member ●

Ms Leticia Zorrilla de Lequerica Puig

Member ●

Ms Ana Muñoz Beraza

Member*** ●

Mr Jesús Pérez Rodríguez-Urrutia

Member ●

Ms Teresa Quirós Álvarez

Member* ●

Ms María Sicilia Salvadores

Member ●

Ms Inés Núñez de la Parte

General Secretary and Secretary of the Board

* Until 29 February 2024, the date on which the Board resolved to dissolve this post.

** Re-elected for the statutory term pursuant to the resolution of the Ordinary General Shareholders' Meeting held on 29 June 2023, following a favourable report from the Appointments and Remuneration Committee and as proposed by the Board of Directors.

*** Re-elected for the statutory term pursuant to the resolution of the Ordinary General Shareholders' Meeting held on 29 June 2023, as proposed by the Appointments and Remuneration Committee and following a report by the Board of Directors.



The General Secretary and Secretary of the Board, and the Secretary of the Delegated Committee, Audit Committee and Appointments and Remuneration Committee, is Ms Inés Núñez de la Parte.

On 31 December 2023, female directors made up 36.36% of the Board, a figure that stood at 36.36% in 2022 and 2021, 20% in 2020 and 22.22% in 2019.

During 2023, the full Board of Directors held a total of 15 meetings, of which 11 took place on a monthly basis and 4 were extraordinary meetings. All resolutions of the Board were made unanimously.

In 2023, the average remuneration for male directors was EUR 100,714 and for female directors EUR 68,125 (in 2022, it was EUR 153,561 for male directors and EUR 58,570 for female directors). The disparity in remuneration is because until 31 August 2023 compensation for the executive director was considerably higher than for other members.

Application of the Directors' Remuneration Policy, which is permanently published on the corporate website, aims to generate long-term value for shareholders and, in turn, ensure the long-term sustainability of the Company's results and activity. The compensation established in favour of the directors is based on the usual remuneration items for boards of listed Spanish companies.

The Annual Board Remuneration Report will be submitted as a separate item of the Agenda, to advisory vote of the General Meeting. This report is available to shareholders and investors on the Company's corporate website (www.tubosreunidosgroup.com) and on the National Securities Market Commission (CNMV) portal (www.cnmv.es).

At a meeting held on 3 June 2009, the Board of Directors unanimously resolved to create a Delegated Committee. During 2023, the Delegated Committee did not hold any meetings. At the end of the 2023, the Delegated Committee was made up of the following Board members:

● Independent Director

● Proprietary Director

DELEGATE COMMITTEE

Mr Josu Calvo Moreira

Chairman

Mr Jorge Gabiola Mendieta

Member ●

Mr Enrique Migoya Peláez

Member ●

Mr Cristóbal Valdés Guinea

Member ●

Mr Emilio Ybarra Aznar

Member ●

Ms Inés Núñez de la Parte

Secretary



It is also appropriate to note that the Audit Committee held a total of 7 meetings during the 2023 financial year. On 31 December 2023, the composition of the committee was as follows:

AUDIT COMMITTEE

Ms Teresa Quirós Álvarez

Chairwoman ●

Mr Enrique Migoya Peláez

Member ●

Mr Jorge Gabiola Mendieta

Member ●

Mr Jesús Pérez Rodríguez-Urrutia

Member ●

Ms María Sicilia Salvadores

Member ●

Ms Inés Núñez de la Parte

Secretary

● Independent Director

● Proprietary Director

For its part, the Appointments and Remuneration Committee held 6 meetings in 2023 and its composition as at 31 December 2023 was as follows:

APPOINTMENTS AND REMUNERATION COMMITTEE

Ms Ana Muñoz Beraza

Chairwoman ●

Mr Cristóbal Valdés Guinea

Member ●

Ms María Sicilia Salvadores

Member ●

Ms Inés Núñez de la Parte

Secretary

General Shareholders' Meeting

The Company's Ordinary General Shareholders' Meeting was convened and held during an in-person meeting on 29 June 2023. The Meeting was broadcast live via the corporate web portal, while shareholders were given the opportunity to exercise their representation and voting rights via telematic means prior to the Meeting being held.

During the Meeting, shareholders had the power to exercise their political rights in full, in accordance with the following aspects:

- All shareholders have the right to attend the Meeting, regardless of the number of shares they hold.
- Each share grants the right to one vote.
- Under all circumstances, resolutions are adopted in accordance with the majorities established in the Capital Companies Act.

The attendance records for both those who attended the General Shareholders' Meetings in person and those who were represented for the last three financial years are shown below:

June 2021 — 47.38%

October 2021 — 47.71%*

December 2021 — 46.72%*

June 2022 — 46.97%

June 2023 — 41.20%

*Extraordinary meetings

System for good governance, risk management and regulatory compliance

At Tubos Reunidos, we see commitment to good corporate governance as not only an obligation, but a fundamental pillar of our business strategy. Standing firm in its belief that transparent and responsible management is key to generating sustainable value, the Board of Directors has fostered a process for continuous improvement in this regard, positioning the company as a benchmark in the sector.

Our firm commitment is reflected in our high levels of compliance with good governance recommendations, as endorsed by external evaluations. However, at Tubos Reunidos we do not settle for what we have already achieved. Aware of the importance of constant evolution, we have set as a strategic objective to adopt the best practices recommended by the *Unified code of good governance for listed companies* published in June 2020.

The Board of Directors continued to make progress in continuously improving corporate governance throughout 2023, with the aim of establishing a robust Corporate Governance System consistent with best practices. The main objective is to foster and maintain a corporate culture rooted in ethics and a commitment to sustainable development.

In this regard, on 21 December 2023, the Board of Directors approved a new regulation for the corporate body, specifically the Audit Committee Regulations. With a view to promoting sustainable and ethical business development, 2023 also saw the approval of new corporate policies such as:

- The *Information security policy*, approved on 27 April, which forms part of the Company's Internal Control and Risk Management System.
- The *Corporate procurement, service contracting and investments policy*, approved on 27 July.

The following strategic actions should also be highlighted:

- Approval of the basic structure and general lines of the future *Sustainability Master Plan* for a 5-year period (2024–2028) on 21 December, establishing it as one of the foundations of the organisation's Strategic Plan.
- Increased resources for the Sustainability Department.

Approval of the updated Corporate Risk Map on 27 July, which reorganises risks and gives greater importance to cyber risks and sustainability, among others.

The Tubos Reunidos Group has continued to demonstrate its commitment to ethics, integrity and good governance throughout 2023, strengthening its Regulatory Compliance System.

Matters related to ethics, integrity and good governance are centralised through our Regulatory Compliance System, which has a set of procedures designed to prevent, identify and correct unwanted behaviour.

After consultation with employees' legal representatives, in 2023 the Board of Directors comprehensively

reviewed and reformed the compliance system, so that it can be adapted by the deadline to the requirements of the new Act 2/2023 of 20 February on the Protection of Persons who Report Regulatory Violations and the Fight Against Corruption.

In 2023 we implemented and circulated an internal information system designed, established and managed in a secure way, which:

- a) Ensures the confidentiality of whistleblowers' and third parties' identity mentioned in the communication, as well as the actions undertaken, ensures data protection, preventing access by unauthorised employees.
- b) Allows communication to be submitted in writing or verbally, or both.
- c) Integrates the various internal information channels.
- d) Establishes guarantees to protect whistleblowers.
- e) Has an established procedure for handling information received.

Therefore, on 25 July 2023, the Board of Directors obtained a certificate of adequacy for the compliance system and its correct adaptation to the new legislation.

The comprehensive reform of the compliance system was communicated transparently to shareholders at the General Shareholders' Meeting held on 29 June 2023, as item 9 under 'Matters for information'. In particular, shareholders were

informed of the reporting channels available to them for communicating any actions or omissions within the Tubos Reunidos Group of which they are aware and may constitute serious or very serious criminal or administrative violations, including those involving financial losses for the Public Treasury and/or Social Security.

Reform of the Compliance System required the following specific actions by the Board in 2023:

- 1) Appointment on 30 March of the Secretary of the Board of Directors as System Manager for the Whistleblowing System (which forms part of the compliance system).
- 2) Approval of the new Code of Ethical Conduct for the Tubos Reunidos Group on 25 May, with a new revised text adapted to new Act 2/2023, replacing and overriding the previous one approved in April 2021.
- 3) Approval on 25 May of the *Corporate Policy on the Whistleblowing System and the Protection of the Whistleblower*, which sets out the general principles relating to the Internal Reporting System and has been duly published within the organisation.
- 4) Approval on 25 May of the *Regulation on the Whistleblowing Channel*, which include the *Privacy policy* and the *Protocol prohibiting retaliation* as appendices. The Regulation and its appendices constitute the new information management procedure, replacing the *Whistleblowing channel regulations* approved in April 2021.
- 5) Approval on 25 May of the new *IMB Regulations*, replacing those adopted on 29 April 2021.
- 6) Approval 25 May of the new *Gifts and invitations policy*, which replaces the one approved on 29 April 2021.
- 7) Approval on 29 June of a new *Corporate criminal risk prevention and compliance policy* adapted to Law 2/2023, replacing the policy approved on 29 April 2021.
- 8) Approval on 29 June of a new *Criminal risk prevention manual* (general section) adapted to Law 2/2023, replacing the manual approved on 29 April 2021.
- 9) Three additional documents remained at Audit Committee level and were overseen with a favourable opinion in July:
 - *Criminal risks prevention manual* (Specific Section).
 - *Ethical commitment of directors, executives and employees*.
 - Review of the adaptation of the new ethical commitment models.
- 10) Approval on 21 December of the *Code of ethical conduct for suppliers of the Tubos Reunidos Group*.

Likewise, the Board of Directors supervised the *Protocol for prevention and action against harassment* adapted to new Act 2/2023 on 21 December, with regard to duties in the field of compliance and approval of its implementation in 2024 at all Group companies. It is testament to the Group's commitment to zero tolerance of harassment. Anti-corruption measures have also been implemented, including specific training for HR personnel and the prohibition of practices such as bribery and money laundering. The Group reaffirms its commitment to the defence of Human Rights, both in its own operations and throughout its supply chain.

The new Whistleblowing Channel, which was updated in 2023, provides a safe and confidential way to report ethical or legal violations, demonstrating the Group's firm commitment to transparency and integrity. Although no reports have been received regarding sensitive matters such as corruption or human rights violations, the channel's existence reinforces the culture of compliance and responsibility within the organisation.

In fact, through its Regulatory Compliance System and its Code of Ethical Conduct, the Tubos Reunidos Group reaffirms its commitment to responsible behaviour, legality, respect for human rights and integrity in all its operations.



We have a comprehensive Risk Management System applicable to all Group companies, as set out in the Corporate Risk Management Policy approved by the Board of Directors on 29 April 2021.

In accordance with current regulations, Tubos Reunidos has detailed the risk management system implemented by the Company in the Annual Corporate Governance Report (ACGR) for the 2023 financial year. This report specifies which bodies are responsible for formulating and implementing this system, as well as the main risks that could affect the achievement of business objectives and the level of tolerance established in this regard.

The Board of Directors and the management team manage the risks in order to reasonably guarantee that the entity achieves its objectives. This approach aims to provide an adequate level of security for various different stakeholders, including the market in general, in order to reasonably safeguard the value generated. The Risk Management System is constantly evolving and improving under the Group's responsibility.

The risk matrix of the Internal Control over Financial Reporting (ICFR) enables the company to identify the substantial elements of the financial statements, the statements or objectives of the financial information that is susceptible to risks, as well as to prioritise the operational processes that affect the financial information. This structure is to be reviewed annually in accordance with the plans established by the Group. During the 2023 financial year, the Group's ICFR was updated in response to organisational changes (included in the Steering Committee) and structural adjustments (business mergers between Group companies).

In accordance with the provisions of Royal Decree Law 18/2017, of 24 November, which transposes Directive 2014/95/EU into Spanish law, and the Law on Non-Financial Information and Diversity of 28 December 2018, in 2023 Tubos Reunidos prepared and published its Non-Financial Reporting Statement. This document contains the necessary information to understand the Group's performance, results and situation, as well as the impact of its activities in relation to environmental

aspects, social aspects, human rights, the fight against corruption and bribery, as well as aspects relating to staff. This report has been verified by an independent verification service provider (E&Y), who issued a favourable opinion.

The actions carried out in the key areas, together with important reforms carried out in previous years (such as System reformulation in 2022 around ESG criteria), make the Tubos Reunidos Group's Corporate Governance System robust and effective. It provides a solid structure for conducting business, complying with the highest standards and best practices both nationally and internationally.

Throughout 2024, the Tubos Reunidos Group will continue its commitment to continuously improve its corporate governance system.

Share price status and evolution



Relevant data

At 31 December 2023, Tubos Reunidos' share capital stood at EUR 3,493,617.76, represented by 174,680,888 shares, each with a nominal value of EUR 0.02.

These shares are listed on the stock exchanges in Bilbao and Madrid. Since 1 July 2005, they have been listed on the continuous market of the Spanish Stock Exchange Interconnection System (SIBE) of the Madrid Stock Exchange.

Stock market performance

In 2023, Tubos Reunidos' share price increased by 162% over its share price as at 31 December 2022 from 0.246 euro/share to 0.645 euro/share as at 31 December 2023.

The average share price in 2023 was 0.63 euro/share, 97% higher than the 2022 share price of 0.32 euro/share. In 2023, the share price was more stable than in previous years once the results for 2022 had been published. It started the year at a low of 0.250 euro/share on 2 January and saw highs of 0.975 on 13 March. Transactions exceeding one euro were made for the first time since 2017.

The trading volume in euro amounted to EUR 311.6 million—895% higher than in 2022—driven by the higher average price for the year and a higher trading volume. 438.0 million securities were traded in 2023, up 352% from 2022.

TUBOS REUNIDOS PERFORMANCE IN THE STOCK MARKET	2023	2022	2021
Share capital (millions of euro)	3.49	3.49	3.49
Nominal shares	0.02	0.02	0.02
Number of shares (millions of securities)	174.7	174.7	174.7
Share price (euro)			
Minimum	0.25	0.21	0.22
Maximum	0.98	0.40	0.50
Last	0.65	0.25	0.28
Average	0.63	0.32	0.37
Trading volume (millions of securities)			
First quarter	268.4	36.8	151.0
Second quarter	74.6	19.2	70.6
Third quarter	45.4	11.0	54.0
Fourth quarter	49.6	29.8	50.9
TOTAL	438.0	96.8	326.5
DAILY AVERAGE (thousands)	1717.6	376.7	1275.3
Trading volume (millions of euro)			
First quarter	190.0	12.9	51.0
Second quarter	61.2	7.1	32.2
Third quarter	29.7	3.6	24.0
Fourth quarter	30.7	7.7	19.7
TOTAL	311.6	31.3	126.9
DAILY AVERAGE (THOUSANDS)	1221.9	121.8	495.8
MARKET CAPITALISATION (THOUSANDS OF EURO)	112.7	43.0	48.8

Treasury shares

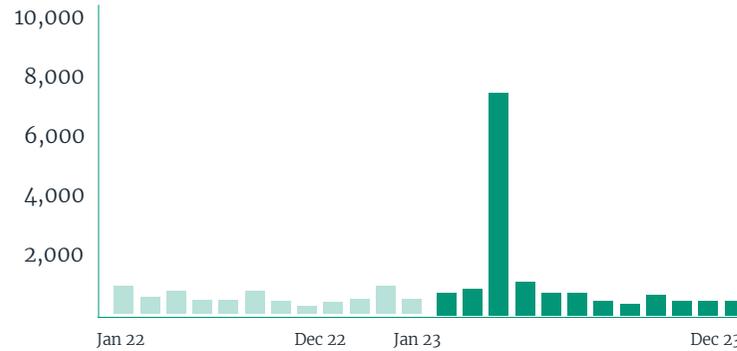
Tubos Reunidos has signed a liquidity agreement, as communicated to the CNMV by means of Relevant Fact on 11 July 2017, which came into force on the same day, and complies fully with the provisions of Circular 1/2017 of 26 April.

The entirety of the treasury shareholding is earmarked for the liquidity agreement. During 2023, 5,768,807 treasury shares in the company were bought and 5,978,545 were sold, with a treasury shareholding of 524,487 shares as at 31 December, representing 0.30% of the company's share capital.

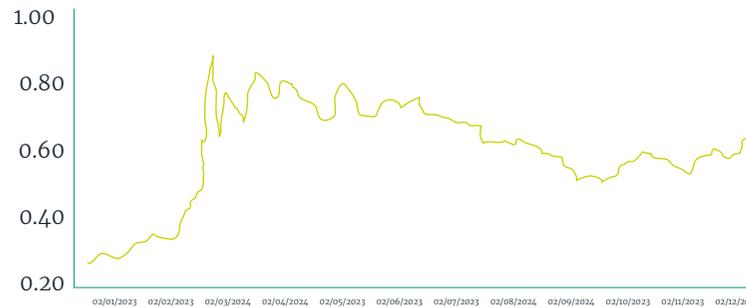
Shareholders and investor relations

The company responds to requests for information or assistance from shareholders in accordance with our transparency objectives and pursuant to the principles of the Code of Good Governance for listed entities.

TUBOS REUNIDOS AVERAGE MONTHLY TRADING VOLUME (thousands of euro)



TUBOS REUNIDOS SHARE PRICE EVOLUTION (euro/share)



Economic information





Tubos Reunidos Group

Net equity and liabilities (thousands of euro)

ASSETS	2023	2022	2021	2020
NON-CURRENT ASSETS	304,369	280,587	272,104	262,440
Property, plant and equipment	261,826	250,083	247,682	177,140
Other intangible assets	2,004	1,623	1,933	2,778
Rights of use	5,898	5,290	4,903	5,346
Real estate investments	1,238	1,295	1,352	1,413
Derivative financial instruments	-	-	-	67,028
Non-current financial assets	426	407	483	204
Deferred tax assets	32,977	21,889	15,751	8,531
CURRENT ASSETS	225,595	263,060	196,169	88,695
Inventories	107,818	129,464	101,375	53,590
Trade and other accounts receivable	21,492	30,280	16,955	13,753
Current tax assets	-	-	-	-
Derivative financial instruments	470	5,714	-	-
Cash and current financial assets	95,799	97,568	77,831	21,340
Other current assets	16	34	8	12
TOTAL ASSETS	529,964	543,647	468,273	351,135

LIABILITIES	2023	2022	2021	2020
NET EQUITY (including participation loan)	124,129	65,726	17,914	-28,584
Share capital	3,494	3,494	3,494	3,494
Other net equity	118	-53,923	-98,921	-32,667
Minority interests	738	504	541	589
Participation loan	119,779	115,651	112,800	-
DEFERRED INCOME	107	120	319	580
NON-CURRENT LIABILITIES	274,549	277,605	279,210	288,351
Liabilities with credit institutions	242,469	245,668	247,877	260,196
Deferred tax liabilities	15,241	16,024	15,160	7,930
Provisions	5,501	3,547	1,898	1,053
Other non-current liabilities	11,338	12,366	14,275	19,172
CURRENT LIABILITIES	131,179	200,196	170,830	90,788
Liabilities with credit institutions	15,995	29,001	16,846	5,283
Current tax liabilities	243	591	-	-
Trade and other creditors	114,941	170,604	153,984	85,505
TOTAL LIABILITIES	529,964	543,647	468,273	351,135



Tubos Reunidos Group

Profit and loss account (thousands of euro)

	2023	2022	2021	2020
Net turnover	532,856	513,652	242,994	241,661
Other income	9,070	10,137	7,832	5,488
Changes in inventories of finished goods and works in progress	(13,340)	23,562	27,363	(33,022)
Supplies	(162,879)	(206,888)	(132,368)	(87,363)
Staff expenses	(111,442)	(101,875)	(102,886)	(80,331)
Depreciation and amortisation	(16,979)	(15,834)	(13,066)	(22,624)
Other expenses	(147,524)	(174,393)	(94,719)	(62,008)
Other net profit/(loss)	16	352	341	335
Impairment	(5,459)	5,252	77,360	(99,598)
OPERATING PROFIT/(LOSS)	84,319	53,965	12,851	(137,462)
Financial income	406	3	2	10
Financial expenses	(28,043)	(21,511)	(21,803)	(22,990)
Changes in fair value of financial instruments	(5,660)	3,729	(58,580)	65,816
Foreign exchange and other	(3,275)	1,767	2,743	(3,286)
FINANCIAL RESULTS	(36,572)	(16,012)	(77,638)	39,550
PROFIT/(LOSS) FROM ONGOING OPERATIONS BEFORE TAX	47,747	37,953	(64,787)	(97,912)
Income tax expenses	8,799	5,508	62	(110)
PROFIT/(LOSS) FROM ONGOING OPERATIONS AFTER TAX FOR THE FINANCIAL YEAR	56,546	43,461	(64,725)	(98,022)
PROFIT/(LOSS) FOR THE FINANCIAL YEAR NET OF DISCONTINUED ACTIVITIES	-	-	-	-
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	56,546	43,461	(64,725)	(98,022)
Minority interests	(234)	37	48	117
NET INCOME OF THE PARENT COMPANY	56,312	43,498	(64,677)	(97,905)

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